

UPPER CLARK FORK RIVER BASIN RESTORATION GRANTS

**LONG FORM AND INSTRUCTIONS
For
2006 GRANT CYCLE**

PREPARED BY:

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ACRONYM GUIDE

Advisory Council	UCFRB Remediation and Restoration Education Advisory Council
ARCO	Atlantic Richfield Company
DOI	Department of Interior
EPA	Environmental Protection Agency
FAQ	Frequently Asked Questions
NRDP	Natural Resource Damage Program
Tribes	Confederated Salish and Kootenai Tribes
UCFRB	Upper Clark Fork River Basin

Section 1

Overview of the Upper Clark Fork River Restoration Fund Grant Program

INTRODUCTION

Mining and mineral processing operations, centered in and around Butte and Anaconda, caused the release of substantial quantities of hazardous substances into the Upper Clark Fork River Basin, resulting in extensive injuries to the natural resources in the area. The Upper Clark Fork River Basin (UCFRB) refers to that portion of the watershed of the Clark Fork River extending from its headwaters, surrounding the city of Butte, downstream to and including the Milltown Reservoir just upstream of the city of Missoula. The UCFRB Restoration Fund was established as a result of a partial settlement of claims asserted in a lawsuit filed by the State of Montana against the Atlantic Richfield Company (ARCO) seeking damages for injury to natural resources in the UCFRB. The UCFRB Restoration Fund contains no Montana taxpayer funds, is administered by the Governor of Montana as trustee for natural resources of the State, and is established to finance projects designed to restore, rehabilitate, replace, or acquire the equivalent of the injured natural resources of the UCFRB.

This application is based on the State's January 2006 *UCFRB Restoration Plan Procedures and Criteria (RPPC)*. This document provides the framework for expending Restoration funds on grant projects that will restore or replace injured natural resources and/or lost services. It sets up an annual restoration grant cycle administered through the Natural Resource Damage Program (NRDP) at the Montana Department of Justice. This is the seventh grant cycle. In the previous six cycles, 50 projects have been approved totaling \$38 million. The annual restoration work plans which outline the approval process and detail the approved projects for each year are available upon request from the NRDP or the NRDP website (www.doj.mt.gov/lands/naturalresource.asp) or at nrdp@mt.gov or (406-444-0205).

This Long Form and Instructions booklet contains the materials necessary to apply for 2006 UCFRB Grant Projects exceeding \$25,000. For grant applicants requesting \$25,000 or less, a separate, abbreviated application form, the Short Form, is available on the NRDP website at (www.doj.mt.gov/lands/naturalresource.asp) or upon request from the NRDP at nrdp@mt.gov or (406-444-0205).

Included in this booklet for Grant applications over \$25,000 are:

- **Section 1 – An Overview of the UCFRB Restoration Fund Grant Program that summarizes application eligibility submittal procedures;**
- **Section 2 - Instructions for Completing and Submitting the Long Form Grant Application that specifies the steps for completing an application;**
- **An “Applicant Information and Project Summary Form” to be filled out by all applicants and attached to the front of the completed application;**
- **Instructions for completing the Project Abstract;**

- **Instructions for completing the Technical Narrative;**
- **Instructions for completing the Environmental Impact Checklist and Narrative;**
- **Instructions for completing the Criteria Statements;**
- **Instructions for completing the Proposal Budget Estimate Forms and Budget Narrative; and**
- **Supplemental materials, provided in Appendix A, to assist applicants in completing applications and understanding the grant process. These include definitions, a fact sheet on injured resources, sample abstracts and frequently asked questions.**

Additional guidance is available upon request or from the NRDP website at www.doj.mt.gov/lands/naturalresource.asp. The additional guidance available includes:

- Application Review Guidelines
- Guidance on Confidentiality, Procurement Provisions and Equipment Policy
- Guidance for Recreational Projects
- Guidelines for Project Applications Involving Aquatic and Terrestrial Resources and Public Recreation
- Guidance for Work on Private Lands
- UCFRB Wildlife Population and Habitat Data

These materials are based on the procedures and criteria for expenditures of the UCFRB Restoration Fund set out in the State's *RPPC* document. Applicants are encouraged to consult the *RPPC* in seeking additional background on the injured natural resources, project requirements, and funding selection process. This document is available upon request from the NRDP website (www.doj.mt.gov/lands/naturalresource.asp) or the NRDP office in Helena.

APPLICATION SUBMITTAL

Applicants shall submit an application containing the following:

- An **original and four (4) additional copies (one copy unbound)** of the application including all supporting documentation and a site map.
- Color maps or photos that are included in the application must be included in all copies.
- Continuous page numbers and a table of contents.
- A 3 1/2" disk or compact disk containing a **compiled** version of the application in WORD format, the budget forms in EXCEL format, and an electronic version of the site map.

The application material should be sent to:

**State of Montana
Natural Resource Damage Program
1301 E. Lockey Avenue
P.O. Box 201425
Helena, MT 59620-1425**

Phone: 406-444-0205

APPLICATION DEADLINES

1. **Grant Projects over \$25,000:** Application forms for grant projects, including project development grants, over \$25,000 must be **delivered to the NRDP or postmarked no later than Friday, March 3, 2006.**
2. **Small Grant Projects of \$25,000 or less:** The application process for small grant projects, including project development grants, of \$25,000 or less is "open-cycle." There is no application deadline, and applications are considered on a first come, first served basis. Applicants for these grants of \$25,000 or less also have the option of following the regular *RPPC* grant cycle (#1 above), which requires submittal no later than March 3, 2006.

If you have questions, or if the NRDP staff can help you in any way, please contact the NRDP office at (406) 444-0205.

RESTORATION GRANT WORKSHOPS

The NRDP will be conducting two restoration grant workshops to assist potential applicants with questions on the grant process and the applications. All grant applicants are strongly encouraged to attend. The workshops will be held at the following locations:

**Tuesday, January 31, 2006 from 10:00 a.m. to 3:00 p.m.
Butte Red Lion Inn
2100 Cornell, Butte**

Thursday, February 2, 2006 from 10:00 a.m. to 3:00 p.m.
Holiday Inn Express Riverside
1021 E. Broadway, Missoula

Registration is required. To register for a workshop, please contact Kathy Coleman at 444-0229 or email her at nrdp@mt.gov.

APPLICANT ELIGIBILITY

Governmental entities, private individuals who are U.S. citizens, and private entities are eligible to apply for UCFRB Restoration Fund Grants.

PROJECT ELIGIBILITY

Project Type Eligibility: Four types of projects are eligible for UCFRB grant funding:

1. Restoration Projects that will restore, rehabilitate, replace, or acquire the equivalent of injured natural resources and/or the services lost as a result of releases of hazardous substances by ARCO or its predecessors that were the subject of the Montana v. ARCO lawsuit (refer to “Definitions” and “Fact Sheet on Injuries Along the UCFRB” contained in Appendix A for further explanation of the injured natural resources and lost services).
2. Planning projects that involve developing future grant proposals. Funding for project development grants is designed to promote the development of project proposals from entities that have sound restoration ideas but do not have funds available to develop those ideas.
3. Monitoring and Research projects that pertain to restoration of natural resources in the UCFRB.
4. Education projects that pertain to the natural resources or services that were subject of Montana v. ARCO or to acceptable replacements of those resources or services.

Grant Application Submittal Options: Two options exist for application submittal for these four types of projects depending on the amount of the grant request.

1. Regular Grant Cycle Requests over \$25,000: Applications for proposals over \$25,000 must be submitted during the regular grant cycle and are considered with other applications. “Regular Grant Cycle” refers to the schedule provided in the *RPPC* of applications materials being distributed in January, applications due in March (March 3rd), and final funding decisions being made in December 2006.

2. “Open Cycle” Grant Requests of \$25,000 or less: Applications for proposals for \$25,000 or less are considered on an “open cycle” basis. These grant projects can be applied for at any time throughout the year and are considered on a first come, first served basis. This process is not intended for a series of small projects that are really a part of a larger project or otherwise closely linked. Applicants for these two types of projects also have the option of submitting their

application during the regular grant cycle to be considered with other projects as described above.

Project Location Eligibility: Only projects that would be located in the UCFRB are eligible for funding. This requirement does not apply to: (1) research or education projects, provided that the proposed research or education pertains to restoration of natural resources located in the UCFRB; (2) a project, or a portion thereof, that would be located outside of the UCFRB but would have the effect of restoring or significantly facilitating the restoration of natural resources or lost services of the UCFRB; and (3) projects to restore native trout, provided such projects are located in the Big Blackfoot River Basin and there is a showing that it would be impractical or uneconomic to restore such trout in the UCFRB.

As set forth in the *RPPC*, projects proposed for funding out the UCFRB Restoration Fund will not be considered if consideration or implementation of the project would interfere, potentially interfere, overlap, or partially overlap with the State's remaining natural resource damage claims in the *Montana v. ARCO* lawsuit or with proposed restoration determination plans for the three sites still involved in the litigation, or with the development of such plans. Those sites still involved in litigation are the Upper Clark Fork River, the Anaconda Uplands and Butte Area One. This guidance applies to all types of grant requests, including project development grants, regardless of the funding request. For more information about what areas are ineligible for funding at this time, refer to the "Frequently Asked Questions" in Appendix A or contact the NRDP.

2006 GRANT CYCLE FUNDING LIMITATIONS

A maximum of \$7.5 million from the UCFRB Restoration Fund can be authorized for expenditure in 2006 on grant projects over \$25,000 considered during this regular *RPPC* grant cycle and approved by the Trustee in December 2006. For multi-year projects that involve expenditures beyond 2007, the Trustee may commit funding for subsequent years subject to funding limits set forth for future years. The maximum annual funding limit for small grant projects of \$25,000 or less is \$200,000 per calendar year.

APPLICANT RESPONSIBILITIES

If a project proposal meets minimum qualifications, the applicant will be requested to attend a symposium to give an oral presentation on their project and answer questions posed by the UCFRB Remediation and Restoration Education Advisory Council (Advisory Council). The Advisory Council consists of twelve citizens from the UCFRB representing the public and various interest groups and five government representatives. Applicants will be given adequate notice of the date, time and place of the symposium. A description of the other stages of the funding process and opportunities for applicant input in that process is contained in the "The Funding Selection Process" section of this application.

If the Governor approves a project, the applicant must enter into a grant agreement with NRDP before any funds can be expended or received. Detailed scopes of works and budgets are required in all agreements, and must be approved by NRDP before work that will be paid by Restoration funds begins on the project. **Expenses incurred before the grant agreement becomes effective will not be reimbursed.**

Grant recipients will be required to obtain all necessary work permits and work authorizations and follow State contracting and procurement laws, including State laws on contracting and bid procedures for construction projects. Procurement Guidance to assist applicants in determining what portions of their projects must be competitively bid is available upon request or from the NRDP website. Documentation of procurement procedures will be required to be submitted if the project is funded.

Grant recipients must obtain all necessary insurance. The specific insurance coverage required will depend on the project. Workers Compensation insurance or an Independent Contractor Exemption will be required on all projects as well as General Liability Insurance. Other coverage that may be required includes Auto, Professional Liability and Property.

Grant recipients must keep accurate financial records and documentation for audits. The NRDP can provide information about these requirements. NRDP staff, agents, and appointees must be permitted to monitor performance and visit the project site. All final design plans must be reviewed and approved by the NRDP before construction. The scope of NRDP's review and approval of design plans is strictly to assure that the design is consistent with the approved scope of work. Depending on the project scope, the NRDP may require prior approval of contracting procedures to assure compliance with applicable competitive bidding requirements.

PRE-APPLICATIONS

Prospective applicants may also, at any time, submit a "Pre-application" to the NRDP. A Pre-application offers an applicant the opportunity to obtain a non-binding opinion from the State on whether a particular conceptual proposal may be an appropriate project for funding out of the UCFRB Restoration Fund before going through the more time-consuming process of preparing a project application. **Applicants should submit a proposal abstract (see pg. 14) and a map of the project area for a Pre-application.** For an example Pre-Application, contact NRDP at nrdp@mt.gov, download from NRDP website or call 444-0205. See Appendix A for sample project abstracts.

WHICH APPLICATION TO USE?

- UCFRB Restoration Projects of \$25,000 or less ⇒ **Short Form**
- Project Development Grants of \$25,000 or less ⇒ **Short Form**
- Monitoring, Research or Education Projects of \$25,000 or less ⇒ **Short Form**

- Pre-applications ⇒ **Proposal Abstract and Map**

- UCFRB Restoration Projects for over \$25,000 ⇒ **Long Form**
- Project Development Grants for over \$25,000 ⇒ **Long Form**
- Monitoring, Research or Education Projects over \$25,000 ⇒ **Long Form**

This booklet contains materials needed to complete the Long Form application. To request a Short Form application, contact NRDP at 406-444-0205 or download the form from the Department of Justice website at www.doj.mt.gov/lands/naturalresource.asp.

FUNDING SELECTION PROCESS

This section describes the framework set out in the *UCFRB Restoration Plan Procedures and Criteria (RPPC)* on how the State, in consultation with other governmental entities, the Advisory Council, and the general public, will make funding decisions.

Minimum Qualification Screening

The NRDP will screen applications for the following minimum qualifications:

- That the application is completed fully and accurately, and contains all necessary information to conduct a full criteria evaluation.
- That the proposed project would restore, rehabilitate, replace or acquire the equivalent of the natural resources injured as a result of releases of hazardous substances by ARCO or its predecessors that were the subject of Montana v. ARCO.
- That the proposed project would be located in the UCFRB, unless the project meets one of the three exceptions indicated under Projection Location Eligibility on p.5.
- That the applicant has the ability, financial wherewithal, and other qualifications necessary to undertake the proposed project.
- That the project will not potentially interfere, overlap, or partially overlap with the NRD litigation and the associated restoration determination plans for the Butte Area One, Smelter Hill Area Upland Resources and the Upper Clark Fork River remaining claim sites. For more information on these areas, see the frequently asked questions in Appendix A.

If the NRDP determines a project does not meet the minimum qualifications for funding, the applicant, within 15 calendar days of written notice of this determination, may appeal the determination to the Trustee Restoration Council. The Trustee Restoration Council consists of the Governor's Chief of Staff, the Attorney General, the Chairman of the UCFRB Advisory Council, and the directors of the State's three natural resource agencies.

Application Ranking and Evaluation

The *RPPC* details the criteria the State will use to evaluate and rank proposals for funding. Those criteria are generally grouped as follows:

- 9 General Legal Criteria derived from natural resource damage legal requirements
- 9 General Policy Criteria that reflect the State's restoration goals and policies
- 2 General Policy Criteria specific to land acquisition projects
- 2 General Policy Criteria specific to monitoring and research projects

For a complete discussion of the criteria used for evaluating and ranking grant applications, please refer to Step 5 (Criteria Statements) on p. 23.

The NRDP will assess the degree to which proposed projects meet each criterion. Then the applications will be ranked against each other. **The adequacy and quality of the**

application will influence how well a project meets certain *RPPC* criteria and, consequently, affects the project's overall ranking as well. While no particular criterion is necessarily weighted more heavily than any other, a single criterion could be the deciding factor as to whether a project is approved or disapproved, depending on the circumstances. For example, one of the criteria is an evaluation of the project's effects on human health and safety. If a project posed a significant threat of bodily harm to workers or the public, it is likely that the project would be disapproved on this ground alone, irrespective of any other benefits accruing from the project.

In consultation with various governmental entities and the UCFRB Advisory Council, the NRDP will prepare draft funding recommendations for consideration by the Trustee Restoration Council. The NRDP will then solicit public comment on a draft restoration work plan as directed by this Council. Based on public comment and input from various entities throughout the funding selection process, the Trustee Restoration Council will make recommendations to the Governor. A final funding decision is expected in December 2006.

Funding for small grant proposals of \$25,000 and less is considered on a continuing basis separately from restoration grant proposals over \$25,000. In consultation with various governmental entities and the UCFRB Advisory Council, the NRDP will make draft funding recommendations on these applications to the Trustee Restoration Council, which makes the final funding decisions on them. Funding recommendations will be based on criteria specified in the *RPPC*. Applicants for these grants of \$25,000 or less also have the alternative of following the regular *RPPC* grant cycle.

Section 2

Instructions for Completing the Long Form Restoration Grant Application

This section outlines the 6 steps to follow in submitting a completed Long Form application for funding requests greater than \$25,000. **All applications must contain continuous page numbers and a table of contents.**

In general, information submitted by the applicant after the due date for applications will not be considered unless such information is specifically requested by the NRDP. Applicants are expected to inform the NRDP during the application review process of any developments that would affect the viability of the proposed project. NRDP staff may contact the applicant to obtain omitted information, to clarify issues, or to verify information contained in the application. **All applications are subject to public review.** If an applicant wishes to keep trade secrets or any other information confidential, this information must meet the confidentiality conditions specified in the Guidance on Confidentiality available upon request or from NRDP website and be submitted in accordance with the procedures specified therein.

UCFRB RESTORATION GRANT APPLICATION CHECKLIST

To check for application completeness, be sure that the following 6 items are included in your application. **Make sure the pages have been numbered continuously in your application and you have included a table of contents.**

_____ **Step 1. An “Applicant Information and Project Summary Form”**

_____ **Step 2. A Project Abstract**

_____ **Step 3. Technical Narrative**

_____ **Step 4. Environmental Impact Checklist and Narrative**

_____ **Step 5. Criteria Statements**

_____ **Step 6. A Proposal Budget using attached EXCEL spreadsheet, including:**
_____ **a. A Budget Summary Form**
_____ **b. Budget Detail Forms**
_____ **c. A Budget Narrative**

Step 1. Applicant Information and Project Summary Form

1. **Name of Applicant(s)** _____
2. **Project Title** _____
3. **Type of Entity*** _____
(city, corporation, private individual, association, etc.)

(***Corporation** and **Foundation** applicants are required to submit corporation information as follows: Articles of Incorporation, and Certificate of Good Standing. **Partnership** applicants are required to submit a Partnership Agreement and a list of the names of the Partners. **Limited Liability Company** applicants are required to submit Articles of Organization, a list of the members/managers, and Certificate of Good Standing. **Associations** are required to submit a list of members, Articles of Incorporation and Certificate of Organization. **Please attach these documents to this form.**)

4. **Description of Project Location (Attach map showing location.)** _____

5. **Injured Natural Resource(s) and/or Impaired Services to be Restored, Rehabilitated, Replaced or Equivalent Acquired through Project** _____

6. **Authorized Representative:** _____
(Name) (Title)
Mailing Address: _____
(Street/PO Box)

(City/State/Zip) (Telephone)

Contact Person*: _____
(Name) (Title)
Mailing Address*: _____
(Street/PO Box)

(City/State/Zip)

Phone: _____

E-mail Address: _____

(*For Corporate, Partnership, L.L.C., or Cooperative Association applicants, list Registered Agent and Office for Service of Process)

7. Proposed Funding Sources

On the table below, enter the source and amount of all funding that may be used for this project. Indicate all potential sources of funds that you intend to apply for this project, even if you have not yet applied for the funds or have not yet received a commitment from the source. Indicate whether matching funds are cash or in-kind.

Funding Source		Amount in (\$) Dollars					Matching Fund Percentage (Funding Source Total/Project Total)
		Committed Funds			Uncommitted Funds	Total	
		Grants	Non-Grant Funds				
			Cash	In-kind			
A.	UCFRB Restoration Fund						
B.							
C.							
D.							
E.							
F.							
G.							
H.							
I.							
Non-NRDP Totals							

8. Estimated Total Project Cost

(Automatically Calculated from spreadsheet above)

9. Private (non-Governmental) Grant Applicant Financial Information

- Are there any lawsuits, judgments, or obligations pending for or against you? _____
- Have you ever declared bankruptcy? _____
- Are any of your tax returns delinquent or under dispute? _____
- Any unpaid deficiencies? _____
- Are you a party to a lawsuit? _____
- Do you have any other contingent liabilities? _____
- Do your current and deferred liabilities exceed the value of your assets? _____

Explain all YES answers in a statement attached to this form.

10. Certification for Individuals or Public Entities

Individuals or private entities requesting grant funds must sign the following certification.

Certification for Individuals or Private Entities

I (We) the undersigned, have provided this financial information as part of my (our) application for a grant from the UCFRB Restoration Fund. I (We) certify that the statement is complete and accurate to the best of my (our) knowledge and I (we) authorize the State of Montana to investigate my credit worthiness and any of the matters described above.

Individual(s)

_____	_____	_____	_____
Name	Social Security No.	Signature	Date

_____	_____	_____	_____
Name	Social Security No.	Signature	Date

Social Security Numbers will be kept confidential.

Private Entities

_____	_____	_____	_____
Name of Authorizing Agent	Federal Tax ID No.	Signature	Date

11. Authorizing Statement

An authorized agent/agents representing the applicant must by his/her signature indicate that the application for funds and expenditure of matching funds, as represented, is officially authorized.

Grant Authorization

I hereby declare that the information included in and all attachments to this application are true, complete, and accurate to the best of my knowledge, and that the proposed project complies with all applicable state, local, and federal laws and regulations.

I further declare that, for _____(Project Sponsor), I am legally authorized to enter into a binding contract with the State of Montana to obtain funding if this application is approved. I understand that the Governor must authorize funding for this project.

Project Sponsor

Date

Authorized Representative (signature)

Title

Step 2. Proposal Abstract

Prepare a clear and concise description of your proposal and its benefits to restoration or replacement of natural resources injured and/or the services lost as a result of releases of hazardous substances by ARCO or its predecessors that were the subject of Montana v. ARCO. Also include general information on costs, schedule, tasks involved in the project, and identify project partners. This proposal abstract **as submitted** will be used to inform reviewers and the public about your proposal. For example, your abstract will be included in the UCFRB Riverwatch, a newsletter publication distributed to over 900 individuals or entities. Your abstract should not exceed one typed page. An example abstract is available in Appendix A.

On your own paper, use the following format for your abstract.

Proposal Abstract

Applicant Name: _____

Project Title: _____

Project Description and Benefits to Restoration:

Step 3. Technical Narrative

Describe the work to be done with the UCFRB Restoration Grant funds and with any matching funds committed to the project. This description must provide sufficient detail to verify that the project is technically feasible and will achieve its objectives. This information will be used as the scope of work for a grant agreement.

Explain the existing situation and the problem your project addresses. Provide the goals and objectives of the project. Identify and discuss the specific tasks that will be carried out through project implementation. Provide a project schedule. Use the “Outline for Technical Narrative” on the following pages to organize your presentation and to ensure that nothing is omitted from your discussion. **It is important that all basic information requested in the “Outline for Technical Narrative” be provided in the main text of the application, not the appendices. Any appendices should provide ancillary supporting information and should not serve as the primary source of information. If critical information is buried in the appendices, the applicant risks that it will not be given due consideration in the grant evaluation.**

For portions of this outline, more detailed descriptions are provided on what information is needed for projects that seek to improve aquatic and terrestrial resources and associated public recreation. The NRDP’s “Guidelines for Project Applications Involving Aquatic and Terrestrial Resources and Public Recreation” also includes helpful hints in completing the technical narrative for these types of projects. This document is available upon request or from NRDP website.

The Technical Narrative should not include budget information, which is provided under Step 6.

Please use the following format in presenting your Technical Narrative on your own paper:

Technical Narrative

Applicant Name: _____

Project Title: _____

(text of Technical Narrative)

OUTLINE FOR TECHNICAL NARRATIVE

A. Describe Project Need/Define the Problem.

1. Specifically describe the problem that this project will address.
2. What circumstances precipitated the need for the project?
3. Describe any other ongoing or past efforts to address the needs of the project, including any unsuccessful past efforts.

B. Describe the Project Goals and Objectives.

Note: The success of a project is determined upon achieving the stated goals and objectives. All goals and objectives must be measurable, either quantitatively or qualitatively, and under item F of the technical narrative, applicants are asked to address the link between the goals and objectives and the proposed monitoring tasks.

1. What are the goals of this project, or the problems you intend to solve through implementation of this project?
2. What are the specific project objectives you plan to accomplish in order to achieve these goals?
3. What quantitative and/or qualitative results, if any, will this project achieve?

The following subsections (B1, B2, and B3) provide a more detailed list of the information that should be provided regarding project goals and objectives for projects that seek to improve aquatic and terrestrial resources and associated public recreation.

B1. Describe Current Condition.

1. Describe the current condition of natural resources to be addressed by the project in detail. Describe what data currently exists for the watershed and how it relates to understanding the current condition of natural resources to be addressed by the project. Provide documentation where appropriate.
2. Describe uncertainties regarding the current condition.
3. Provide a map of the project area showing the distribution of the current condition. The map should also display the relationship of the proposed project to the larger scale watershed or region.

B2. Describe Underlying Causes of Current Condition.

1. What are the identified and potential causes of the problem? Of these, what are the limiting factors—those factors that are most responsible for the causes of the current condition?
2. Which of these factors has been quantified and to what degree? Describe any uncertainty about the importance of these factors.
3. Where are the contributing factors located in relation to the proposed project?

B3. Describe Desired Future Condition.

1. Describe project goals and objectives.
2. Describe in detail what changes are desired in the current condition, and what the condition will be when the project has achieved its objectives (use qualitative as well as quantitative descriptions where possible) and the estimated time frame for accomplishing these objectives.
3. Which factors contributing to the current condition will and will not be addressed by the proposed project, to what degree, and how will these affect the desired results of the project?
4. Describe and quantify where possible the primary and secondary benefits of the project. Primary benefits that will result directly from the project are often more quantifiable than secondary benefits. (Note: This is not the same analysis as the “Relationship of Expected Costs to Expected Benefits” Stage 1 decision-making criterion. The discussion here should only identify and quantify, where possible, the benefits of the project, without considering the costs of achieving these benefits.)

C. Describe the Project Implementation Plan. Describe in chronological order the individual tasks or activities necessary to accomplish the work under each objective.

1. Describe the overall approach to project implementation.
2. Identify each of the project phases, and the specific tasks comprising each phase and relate them to the project goals and objectives. For example, for construction projects, discuss each phase of construction, including any planning or design activities that must be completed before initiating any construction activities. For land acquisition projects, describe the status of the various steps needed to complete the transaction, such as the title commitment, appraisal, necessary reviews by county planning entities or other governmental entities, or any necessary environmental assessments. For projects that involve aquatic and terrestrial resources and public recreation, describe the tasks proposed to move from current condition to the desired future condition and how the proposed tasks will impact the current condition in a demonstrable manner.
3. Identify the project staff for the particular tasks and quantify the staffing time necessary to complete the project.
4. Identify the contracted services necessary to complete the project.
5. Identify any permits, regulatory approvals or property access agreements that will be needed to complete the project.
6. Indicate whether the project is a phase of a larger project for which additional funding is needed and, if so, the targeted funding sources. Examples include a proposed waterline replacement that is part of larger, system-wide replacement or a stream restoration project on a particular reach that is one part of an entire stream restoration effort.
7. Describe the measures that will be undertaken to ensure long-term effectiveness. For projects involving aquatic and terrestrial resources and/or public recreation, describe the measures that will be undertaken to ensure that the intended resource or recreational improvements will be maintained in the long-term. If the work will occur on private land, explain what measures will be used to assure that future land management activities will not disrupt areas that will be restored and/or diminish the projects benefits. Include documentation of the current landowner’s commitment to conduct these measures. For example, if the project will involve a grazing management plan to reduce impacts to

riparian areas, provide documentation of the landowner's intent to comply with this plan. For additional guidance on this issue, please consult the NRDP's "Guidance for Work on Private Lands," which is available upon request or from the NRDP website.

D. Provide a Project Time Schedule.

The format of the project schedule may be either a list of activities, table, or flow chart. The schedule should provide the State with a time frame for the project from the starting date through completion of the project. Tasks or activities should be listed in the expected completion sequence. If particular tasks must be completed prior to others, this should be indicated. In planning a schedule, keep in mind that successful applicants must enter into a grant agreement with NRDP before work covered by Restoration funds begins on a project. If desired, include the schedule with the list of tasks (Item C).

For example, the following expected dates in the project schedule may be applicable to some proposals:

1. Expected dates for submittal and receipt of all required permits, licenses, agreements, and approvals;
2. Expected dates for advertising bids and requests for proposals;
3. Expected contract award dates;
4. Expected dates that each task or activity will begin and end; and
5. Expected project completion date.

E. Describe Methods and Technical Feasibility of the Proposed Project.

1. Provide a detailed description of methods to be used to conduct specific tasks, including appropriate citations/documentation.
2. Describe how this approach has been used successfully to address similar problems, if it has.
3. What are the certainties and uncertainties associated with any innovative approaches to the proposed project?
4. Are there any uncertainties in the proposal that require further resolution? Please discuss these uncertainties.
5. Are there any data gaps and how do you propose to address them?
6. Describe any potential complications and how they may affect the implementation time schedule.

F. Describe the Monitoring Plan.

1. Describe proposed quantitative (e.g., sampling parameters) and/or qualitative (e.g., photo surveys) monitoring activities. Include a description of the link between the goals and objectives specified under item B with the proposed monitoring tasks. For example, if a project goal is to reduce water loss from leaking waterlines, a monitoring task should be included to measure whether or not waterline leakage was reduced by the project. If you have a project for which the success can be determined without monitoring (e.g. a land acquisition), or for which the monitoring needed to document success would not be cost-effective, provide such justification.
2. Describe what monitoring data will be collected, why, how, and by whom.

3. Describe how problems will be addressed if monitoring indicates objectives are not being met.
4. How does this monitoring effort consider or coordinate with other monitoring activities being conducted in the Upper Clark Fork River Basin?

Note: If your project has long-term monitoring needs that exceed five years in duration, the NRDP suggests that you identify long-term needs but only apply/budget for the short-term monitoring that can be completed in five years or less. The NRDP will determine the need for and method of accomplishing any additional monitoring beyond five years.

G. Describe Qualifications of the Project Team:

Briefly summarize the skills, qualifications, and experience of the project team.

H. Provide Supporting Technical Documentation

1. Provide a list of references and literature citations pertinent to the project and the technical approach.
2. Provide a list of unpublished materials relevant to the technical feasibility of the project and indicate where these materials are located. Be prepared to provide copies of these materials upon request.
3. Provide maps or aerial photographs that show the project location. Include pertinent topographic and geographic information, scale, and north arrow.
4. Provide copies of easements, right-of-way or other access agreements, and copies of other documents required to complete the project. If these are not available, outline what will be pursued as part of project implementation, and provide copies of any boilerplate agreements that will be followed.

Step 4. Environmental Impact Checklist and Narrative

All applicants must evaluate the proposal's potential impacts to the physical and human environment. Analysis of these potential impacts can alert applicants to considerations in the location, design, or construction of projects that will help to avoid adverse environmental impacts or expensive mitigation or construction costs. The State will use the information provided in this checklist and narrative, along with any necessary supplemental information, to assure that all adverse environmental impacts and reasonable alternatives have been adequately characterized and considered during decision making.

Provide a narrative evaluation of the proposal's potential impacts to the physical and human environment. This includes an analysis of potential socio-economic impacts, such as the changes in property tax revenues, employment, and agricultural, commercial or industrial production that might result from the project. Use the checklist on the following pages as a guide in your consideration of these impacts. The discussion should include direct and secondary adverse impacts that could arise from the project in the short-term or long-term, including those that involve resources that are not a part of the project. Direct impacts are those that occur at the same time and place as the action that triggers the event. Secondary impacts are those that occur at a different location and/or time than the action that triggers the event.

- A. Discuss in the narrative those items identified on the checklist where a potentially adverse impact will occur, where a permit or approval will be required, or where mitigation will be required. Characterize the degree of significance of these impacts (e.g., minor, moderate, or major) and whether they are short- or long-term, direct or secondary.
- B. Where a potentially adverse impact to the environment or human health and safety is projected, the applicant must provide the following:
 - 1. A description and analysis of any reasonable alternatives that would avoid the impact and a justification for the selected alternative; and
 - 2. An evaluation of appropriate short and long-term measures to mitigate each potentially adverse impact and a discussion of the effects of those mitigation measures on the proposed project.

Instructions For Completing the Environmental Impact Checklist: Complete the attached Environmental Impact Checklist and Narrative for the proposed project. The NRDP will review the information provided and prepare its own evaluation to determine whether further information is required. For each impact category, five possibilities are listed on the form:

- | | |
|--|--|
| 1. No Impact or Not Applicable to this project | 2. Potentially Adverse Effect |
| 3. Potentially Beneficial Impact | 4. Agency Approval or Permits Required |
| 5. Mitigation Action(s) Required | |

Space is provided next to each of the subject areas. Check the appropriate box that characterizes possible impacts. In some cases, it may be appropriate to indicate more than one possibility.

Environmental Impact Checklist (use this format)

Impacts to Physical Environment	No Impact	Potentially Adverse	Potentially Beneficial	Permits or Approvals Required	Mitigation Required
1. Soil suitability, geological or topographic constraints					
2. Air quality					
3. Groundwater resources and quality					
4. Surface water quality, quantity and distribution systems					
5. Floodplains and floodplain management					
6. Wetlands protection					
7. Terrestrial and avian species and habitats					
8. Aquatic species and habitat					
9. Vegetation quantity, quality and species					
10. Unique, threatened or endangered species or habitats					
11. Unique natural features					
12. Historical and archeological sites					
13. Aesthetics, visual quality					
14. Energy resources, consumption, and conservation					

Comments: (use additional pages if necessary):

Impacts to Human Environment	No Impact	Potentially Adverse	Potentially Beneficial	Permits or Approval Required	Mitigation Required
15. Human Health and Safety					
16. Agricultural production (grazing, forestry, cropland)					
17. Access to recreational activity, public lands, open space					
18. Nuisances (odor, dust, glare)					
19. Noise (e.g. separation between housing and construction areas)					
20. Hazardous substance handling, transportation and disposal					
21. Local and state tax base and tax revenue					
22. Employment, population, or housing					
23. Industrial and commercial production					
24. Land use compatibility; Consistency with local ordinances, or solutions, or plans					
25. Demands for governmental services (e.g. site security, fire protection, community water supply, wastewater or stormwater treatment, solid waste management)					
26. Transportation networks and traffic flow					
27. Social structures and mores					
28. Cultural uniqueness and diversity					

Comments: (use additional pages if necessary):

Step 5. Instructions on How to Complete Criteria Statements

The *UCFRB Restoration Plan Procedures and Criteria* details the criteria the State will use to evaluate and rank proposals for funding. Those criteria are generally grouped as follows:

- 9 General Legal Criteria derived from natural resource damage legal requirements
- 9 General Policy Criteria that reflect the State's restoration goals and policies
- 2 General Policy Criteria specific to land acquisition projects
- 2 General Policy Criteria specific to monitoring and research projects

In order to promote a fair and thorough evaluation of grant proposals based on these criteria, the State requests that applicants address each applicable criterion individually. **For each criterion, please provide sufficient information about the proposed project that will allow the State to evaluate your proposal as it relates to that specific criterion.**

The criteria that applicants are to address in their criteria statements are discussed on the following pages (pp. 23 to 32) and specific issues that should be addressed relevant to each criterion are listed. The issues discussed are suggested to help you organize your statement but are not exclusive. The discussion indicates how certain criteria may favor or disfavor a project in the State's overall evaluation. Some overlap of issues may be encountered, and applicants may cross-reference other sections of the application where appropriate to avoid duplication of effort. Additionally, depending on the type of proposal, some of the suggested issues for discussion may not be applicable to a particular proposal. Four of the criteria require information that may not be readily available to applicants. For these four criteria, applicants should describe available pertinent information of which they are aware to assist the State in its evaluation of these criteria. The explanation of each criterion provided below distinguishes these few criteria from the majority of the criteria where applicants should provide a complete response.

On your own paper, please follow this format and be sure to address each criterion that is applicable to your proposal:

Criteria Statements

Applicant Name: _____

Project Title: _____

1. (insert name of criterion): **[text]**

2. (insert name of criterion): **[text]**

(Continue format for all applicable criteria)

<p style="text-align: center;">STAGE 1 CRITERIA General Legal Criteria (Apply to all proposals)</p>

1. TECHNICAL FEASIBILITY

This criterion is addressed in the technical narrative under Step 3; therefore, no additional response is required here.

2. RELATIONSHIP OF EXPECTED COSTS TO EXPECTED BENEFITS

This statement should provide information regarding whether a project's costs are commensurate with the benefits it provides. The State will evaluate all costs associated with the project, including costs other than those needed simply to implement the project, and the benefits that would result from a project. Application of this criterion is not a straight cost/benefit analysis, nor does it establish a cost-benefit ratio that is by definition unacceptable. If cost and benefits of the project cannot be quantified, provide a narrative discussion of the cost and benefits.

- A. Describe and, if possible, quantify the direct and indirect costs of the project.
- B. Describe and, if possible, quantify the direct and indirect benefits of the project.
 - 1. Describe direct and indirect benefits to injured natural resources or replacement resources.
 - 2. Describe direct and indirect benefits to lost services or replacement services, including any increased public access provided by the proposal.
 - 3. Describe other direct and indirect public benefits.

Benefits and costs of the project are “direct” if they accrue to a targeted group of people and/or the natural resources and services that are affected by the project. “Indirect” benefits and costs accrue to the general public and resources and services that are affected by the project but are not specifically targeted.

3. COST-EFFECTIVENESS

This statement should include information regarding whether a particular project accomplishes its goal in the least costly way possible compared to alternatives. In applying this criterion, the State will consider all the benefits and costs associated with a project compared to alternative solutions. The descriptions of each alternative do not have to be as detailed as the description of the proposed project, but enough information must be provided to demonstrate that the alternatives to the project were investigated and that the proposed project provides either greater benefits at the same or similar costs or similar benefits at a lower cost.

- A. Describe the alternatives that will accomplish the same or substantially similar goals as that of the proposed project. These alternatives could accomplish the goals of the proposed project, but in a different way, under a different time frame, or with different costs and

benefits. Include the no action alternative (i.e., natural recovery), if applicable. For example, alternatives to a proposed revegetation project that involves planting 50 acres of a riparian area with trees and shrubs could be planting only 25 acres or planting seeds only. Or, if the project is to rehabilitate a water distribution line, address the alternative ways to fix the problem (e.g. slip lining the existing line versus replacement.)

If you are applying for a multi-year project, then provide a comparison here of the preferred multi-year approach to the alternative of only funding one year of the project at a time. Indicate what benefits, such as any cost-savings, which would be derived from funding multiple years compared to phased funding.

If you are proposing a community drinking water system improvement project such as a new storage facilities or repairs to the existing transmission systems, summarize under this criterion response how the proposed project fits in with the applicable planning documents that address the public facility needs and project priorities, such as a water master plan, a Capitol Improvements Plan, or a Preliminary Engineering Review. Include the applicable portions of such documents as an appendix to your application. If such planning efforts have not been completed, indicate the status of such efforts and explain why it is appropriate to proceed with the project proposal before such planning efforts have been completed.

- B. Compare the benefits and costs of each of the alternatives and provide justification for the selection of the preferred alternative. Costs of the alternative approaches should be detailed enough to compare to costs of the preferred alternative provided under Step 6. For example, if you are proposing to remove tailings, compare the costs of consolidating the tailings in an on-site repository to disposal at an off-site facility. If you have a project for which such a detailed cost comparison of approaches is not feasible, such as a land acquisition project, then explain such limitations to comparing alternatives.
- C. If the alternative selected is not the lowest cost alternative or does not provide the greatest net benefit of the alternatives analyzed, provide the reasons for the selection of this alternative.

4. ENVIRONMENTAL IMPACTS

This criterion is addressed under Step 4 in the Environmental Checklist and Narrative; therefore, no additional response is required here.

5. HUMAN HEALTH AND SAFETY IMPACTS

This criterion is addressed under Step 4 in the Environmental Checklist and Narrative; therefore, no additional response is required here.

6. RESULTS OF SUPERFUND RESPONSE ACTIONS (Readily Available Information)

This statement should include a discussion of the results or anticipated results of Superfund response actions (defined on p. A-1) underway, or anticipated, in the UCFRB that are relevant to the proposed project. Numerous response actions are ongoing and additional response actions are scheduled to begin in the next several years, continuing for many years into the future. Application of this criterion will require the State to assess, given the inherent uncertainties associated with this task, what response actions will entail and to make projections

as to their effects on resources and services. The State will evaluate what is necessary in the way of restoration of resources and services in light of ongoing and planned response actions and evaluate the degree of consistency between a project and response actions. Projects that duplicate or may duplicate the effects of a response action on natural resources or services will be disfavored. Projects in Superfund operable units, particularly those such as Anaconda, where the remedial design has not completed, will also be disfavored if a potential exists for the proposed restoration activities to be accomplished under remediation or to interfere with proposed remediation.

Given the multiple response actions underway or anticipated and multiple entities involved in those response actions, it may be difficult to address this criteria. Therefore, applicants are requested to provide readily available information they have on this criterion and the State will collect any necessary additional information.

- A. Identify and describe any ongoing and planned response actions of which you are aware that affect or may affect the natural resources or services addressed by your proposal.
- B. Describe how your proposal coordinates with ongoing or planned response actions of which you are aware.
 - 1. What steps are included in your proposal to account for ongoing or planned response actions?
 - 2. Does your proposal augment an ongoing or proposed response action? If so, how?
 - 3. Will implementation of your proposal in any way require that ongoing or proposed response actions be altered?

7. RECOVERY PERIOD AND POTENTIAL FOR NATURAL RECOVERY (Readily Available Information)

The applicant should evaluate whether the resource and/or services their proposal addresses can recover naturally beyond what is done under response actions and estimate how long natural recovery would take. This analysis will help to place the project's benefits in perspective by comparing the length of time it will take for the resource and/or services to recover if the project were implemented compared to the "No Action-Natural Recovery Period" alternative (defined on page A-1).

The State recognizes the difficulty some applicants may have in predicting the timeframes for recovery to baseline conditions with the project and without any additional action beyond remedy. Provide time ranges (e.g. 1-10 years vs. 10-50 years vs. 50 –100 years, or longer) and identify any uncertainties. Applicants are requested to provide readily available information they have on this criterion and the State will collect any necessary additional information.

- A. Evaluate the potential for natural recovery of the natural resource and/or services addressed by your proposal.
- B. Describe how your proposal would enhance the time frame for natural recovery.

8. APPLICABLE POLICIES, RULES AND LAWS (Readily Available Information)

This criterion entails the State's evaluation of the degree to which the project is consistent with applicable policies of the State, local government, the federal government and Indian tribes; with applicable laws and rules; with consent decrees; and with the *UCFRB Restoration Plan Procedures and Criteria*. Because these requirements are extensive, applicants are required only to address the following items in this criteria statement:

- A. Identify any permits or other regulatory approvals that have been obtained and those that must be obtained to complete the project, and include pertinent dates.
- B. Discuss coordination with local entities.
 - 1. What efforts have been made to contact local governmental entities regarding the project?
 - 2. What specific measures will be taken to ensure that the project is coordinated with local governmental activities and complies with local governmental requirements?
 - 3. If your project involves land management activities, explain how you have or will meet the state and local weed management requirements and what efforts you have made or will make to coordinate with the local Weed Control District.
- C. Discuss how the proposal is affected by and is consistent (or inconsistent) with any other applicable laws and rules, policies, or consent decree requirements of which you are aware. If necessary, the State will supplement information provided by applicants.

9. RESOURCES OF SPECIAL INTEREST TO THE TRIBES AND DOI (Readily Available Information)

Pursuant to a Memorandum of Agreement with the U.S. Department of Interior (DOI) and the Confederated Salish and Kootenai Tribes (Tribes), the State is to pay particular attention to natural resources of special interest to the Tribes and/or DOI, including particular attention to natural resources of special environmental, recreational, commercial, cultural, historic, or religious significance to either the Tribes or the United States. This statement should include a discussion of any potential impacts the proposal may have on resources of special interest to the Tribes and the United States DOI. To assist the State in evaluation of this criterion, applicants are requested to identify any of these resources of special interest of which applicants are aware.

- A. Describe any Tribal cultural resources and religious sites or resources of special interest to the Tribes or DOI relevant to your proposal of which you are aware. Document your source of information.
- B. Describe what measures are included in your proposal to account for any of these resources or religious sites.

<p style="text-align: center;">GENERAL POLICY STAGE 2 CRITERIA (apply to all proposals)</p>
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10. PROJECT LOCATION

The State will evaluate the degree to which restoration actions occur at or near the site of natural resource injury. In this criteria statement, describe the location of the project and the geographic area that will benefit from the project relative to the site of the natural resource injury. Projects within the site of injury or in close proximity may be given priority over projects distant from the site of injury. If you have included topographic maps or aerial photographs in response to previous questions, please refer to those attachments. Note: Projects in injured areas where litigation is unresolved are ineligible for funding (see p. 5 and FAQs in Appendix A).

11. ACTUAL RESTORATION OF INJURED RESOURCES

This criteria statement should contain information sufficient for the State to determine whether and to what extent a project actually restores injured natural resources. Projects that restore the resources that were injured may be given priority over projects that replace, rehabilitate, or acquire the equivalent resources. The term “restore” under this criterion is used in its specific meaning, i.e. actions that are designed to return injured resources and services provided thereby to baseline conditions or accelerate the natural recovery process.

- A. Describe what aspects of the project constitute actual restoration or will contribute to actual restoration of injured natural resources. Identify the specific injured natural resources addressed in the proposal.
- B. Describe how and to what extent injured natural resources will be restored.
- C. If your project is a replacement project such as a project that provides a replacement water supply, describe what limitations exist, if any, to the restoration of the injured resource from a feasibility and/or cost/benefit standpoint.

12. RELATIONSHIP BETWEEN SERVICE LOSS AND SERVICE RESTORATION

This criteria statement should contain information sufficient for the State to determine whether any connection exists between the services that a project seeks to provide or augment, and the services lost or impaired as a result of the injuries to natural resources for which the State claimed damages. The State may favor projects that provide services closely linked to the services that were lost due to natural resource injuries in the Basin over projects that do not.

- A. Describe what services would be created or augmented by the proposal.
- B. Describe how the services that would be created or augmented by the proposal restore, rehabilitate, replace or represent the acquisition of equivalent services lost as a result of injury to the natural resource.

13. PUBLIC SUPPORT

Through public review and comment, the public will have a significant role in the UCFRB Restoration Fund grant selection process. In this criteria statement, provide information by which the State may preliminarily assess public support for your proposal.

- A. Describe the type and level of public support from various individuals or entities.
- B. Provide copies of any letters of public support from various individuals or entities or other supporting documentation. **Letters of support must be specific to proposal submitted. The NRDP will not recognize letters of support for past proposals.**
- C. For work on private lands, a letter from the landowner indicating their consent and support is strongly recommended in the application. Landowner consent will be required for implementation of projects approved for funding.

14. MATCHING FUNDS AND COST SHARING

In this criteria statement, describe any matching funds and cost sharing that will be utilized to implement your proposal, including the progress that has been made to secure such funds. Indicate whether the funds are a cash match or “in-kind” match (defined on p. 35). Refer to the Project Budget Summary Form (p. 36). The percentage match will be applied to grant implementation and successful grant recipients will need to specify how matching funds will be paid over the duration of the contract period. The percentage of matching funds will be automatically calculated by entering the appropriate funding amounts in the Proposed Funding Sources spreadsheet in Step 1 on p.11 of the electronic copy of the application.

Matching funds need to be specific to and provided over the same timeframe as proposed activities requested for Restoration funds. The State will calculate matching funds by determining the percentage of the total project costs **for activities under the project’s scope of work** that would be funded by other sources besides Restoration funds. For projects that are part of a larger project for which future funding will be sought, the State will only consider the matching funds dedicated to the phase of the project that is to be funded by Restoration Funds. An example would be an acquisition that includes lands slated for both state and federal ownership. If the Restoration fund request is specific to the state parcel, then the funding for acquisition of the federal parcels would not be considered as eligible matching. For land acquisition projects, the State will accept as “in-kind” matching funds payments or donations that make up the difference between the funding request and the appraised value.

In applying this criterion, proposals securing funding from other sources may receive a more favorable review than proposals without matching funds. Applicants are required to provide verification of committed matching funds as well as documentation of applied for or pending funds. It is important to consider that, if a project is approved, the grant recipient will be obligated to provide the percentage match commitment reflected in the final work plan and to provide adequate documentation of all matching funds (both cash and in-kind.)

- A. Provide a breakdown indicating the percentage of total project costs **for activities under the project’s scope of work** to be funded by other sources besides Restoration funds. The

breakdown should indicate each source of matching funds, the amount to be contributed by each source, and whether these matching funds are committed or pending.

- B. Indicate which matching funds are matching dollars and which are in-kind match, and generally explain what activities will be covered by matching funds.

15. PUBLIC ACCESS

This criterion evaluates how the proposal will affect public access and the positive and/or negative aspects of any increased (or decreased) public access associated with the proposal. Public access is not required of every project, nor is it relevant to all projects.

- A. Is public access relevant to this project? Why or why not? If public access is relevant, address the subsequent questions.
- B. Describe the current status of public access for the project area. Be specific. For example, what parcels have access, what type of access is provided (e.g. hunting and/or fishing) and how is access provided for (e.g., via Fish Wildlife and Parks Block Management Program, by landowner permission, etc.). A map indicating such information would be useful.
- C. Describe what changes in public access that would result from this project. For example, what additional acreage will be open to public access and how will that access be provided?
- D. Provide a map that indicates the nearest public access points (e.g. nearby public bridge crossings) to the project area and any new access points that would result from the project.
- E. Describe any conditions specific to the project area for which increased public access would be detrimental. For example, would increased public access increase weed problems or possibly disturb fragile areas, such as recently restored areas? How will these potential problems be addressed?

16. ECOSYSTEM CONSIDERATIONS

This criterion examines the relationship between a particular project and overall resource conditions of the UCFRB, attempting to understand the impact of a project on the ecosystem as a whole. For projects in the Silver Bow Creek watershed, the State will evaluate the consistency of the proposed project with the watershed-scale priorities established in the Silver Bow Creek Watershed Restoration Plan under this criterion. This criterion may not be applicable to all projects. If not applicable to your project, explain why. If applicable, answer the following questions.

- A. Explain how your project is sequenced properly from a large-scale, watershed management approach.
- B. Indicate whether your project addresses multiple resources and if so, describe how.
- C. For projects that are in the Silver Bow Creek watershed, explain how your project fits or does not fit with the priorities provided in the *Silver Bow Creek Watershed Restoration Plan*. This plan is available from the NRDP website (www.doj.mt.gov/lands/naturalresource.asp) or

upon request. If your project is not consistent with the priorities established in this plan, explain why the project should be funded anyway.

17. COORDINATION AND INTEGRATION

This criterion examines whether, how, and to what extent a restoration project is coordinated and integrated with other on-going or planned actions in the UCFRB, in addition to the coordination with EPA response actions, which is separately addressed under criterion #6.

A. If applicable, explain how your project is coordinated with other on-going or planned actions besides EPA response actions. For example, does your project coordinate with a planned transportation project?

B. Describe any benefits that may result from this coordination.

18. NORMAL GOVERNMENT FUNCTIONS

The UCFRB Restoration Fund will not be used to fund activities for which a government agency (local, state or federal) would normally be responsible or that would receive funding in the normal course of events. With this criterion, the State will evaluate the likelihood that a particular project would be implemented if recovered natural resource damages were not available. The UCFRB Restoration Fund may be used to augment funds normally available to government agencies if such cost sharing would result in implementation of a restoration project that would not otherwise occur through normal agency function.

A. Describe what proposed activities, if any, are those for which a governmental agency would normally be responsible for, or for which a governmental agency could receive funding in the normal course of events.

B. If your project augments funds normally available to government agencies, explain why the project cannot be implemented without Restoration funds.

STAGE 2 LAND ACQUISITION CRITERIA

(Only proposals which would result in the acquisition of land or interests in land (including conservation easements) for public ownership need to address the following two criteria)

19. DESIRABILITY OF PUBLIC OWNERSHIP

This criterion evaluates the potential benefits and detriments associated with putting privately owned land, or interests in land (including conservation easements and water rights), under public ownership.

A. Describe how the public ownership or interest to be acquired through the proposal will benefit injured natural resources or lost services and/or benefit replacement natural resources or services.

- B. Describe any detriments associated with transferring the lands or interests in lands that are the subject of your proposal from private to public ownership. For example, will this transfer result in decreased tax revenues?

20. PRICE

Acquisitions may only be approved when the price to be paid for the property is equal to or less than fair market value. In this criteria statement, explain the basis for the price of the property to be acquired and how it compares to its fair market value. Normally an independent appraisal by a qualified appraiser, which complies with the *Uniform Standards of Professional Appraisal Practice*, will be required to verify the property's value. Before obtaining such an appraisal, the applicant should: 1) determine whether there are any encumbrances on the property that may affect its value; and 2) consult with NRDP staff and reach an agreement with staff as to who will appraise the property and the instructions to be provided to the appraiser.

- A. Explain the basis for the price of the property and how it compares to market value.
- B. Indicate any encumbrances on the property.
- C. Attach any appraisal documents as well as any other documents or agreements (e.g., title reports, documents evidencing encumbrances on the property, purchase or option agreements) that are relevant to the project.
- D. Provide documentation of the landowner's commitment to the project, such as a letter.

<p>STAGE 2 MONITORING AND RESEARCH CRITERIA (Only proposals involving the funding of monitoring or research need to address the following two criteria.*)</p>
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*Note: These two criteria apply to any research activity, whether or not it constitutes the entire project or a portion of the project. These criteria also apply to projects for which monitoring is a significant focus of the project, but not to projects that simply have a monitoring component tied to judging the project's effectiveness.

21. OVERALL SCIENTIFIC PROGRAM

Provide a criteria statement describing the coordination or integration of the proposed monitoring or research with other scientific work or knowledge relating to the restoration of natural resources in the UCFRB. Greater benefits can be achieved when monitoring or research can use the work of and assist with other projects.

22. ASSISTANCE WITH RESTORATION PLANNING

Provide a criteria statement describing how the proposed monitoring or research will directly assist with future restoration efforts in terms of needed information on the status and condition of natural resources and recovery potential/constraints or assistance with restoration project planning, selection, implementation, and monitoring.

Step 6. Proposal Budget

Complete the **budget estimate forms** and **budget narrative**. Budgets should estimate costs as completely and accurately as possible. Complete these forms on the EXCEL spreadsheets provided with the application. These spreadsheets are also available electronically as a separate file from the NRDP website (www.doj.mt.gov/lands/naturalresource.asp). Complete the Budget Detail Form first. The numbers from this form will be carried over to the Budget Summary Form. The tasks indicated in the budget sheets should match the tasks outlined in the Technical Narrative (Step 4).

The State will only reimburse costs that relate directly to the proposed project and that would only be incurred if the project were to be implemented. The Budget Summary Form and Budget Detail Form include major expense categories. The information contained on these forms will be used to negotiate a contract between the State and the applicant. Actual grant funding cannot exceed the amount authorized by the Governor or the Trustee Restoration Council. Construction projects should include a contingency expense of at least 10 percent of construction costs to cover unexpected expenses. An inflation contingency may be included as a project cost, and must be identified as such on the budget forms. Account for any time lapses between project approval and funding so that an inflation contingency may ensure that funds are sufficient to complete the project activity. Multi-year projects must breakdown budget categories by year.

A. BUDGET ESTIMATE

Use the attached Budget Summary Form and Budget Detail Form to complete your budget estimate. Information regarding the following expense categories should be included in your budget estimate. **Submit both the Budget Summary Form and Budget Detail Form in your applications.** If your project is a multi-year project, costs must be broken down by year.

1. **Salaries and Wages** – Identify each employee required to complete the project. List all participants by name and position, or by position only if not yet hired. List the estimated number of hours each employee will work and the hourly wage rate. Include in this category clerical, bookkeeping, and other support staff services that would be reimbursed by grant funds.
2. **Employee Benefits** – Enter the employee benefits to be paid and the rate or method by which they were calculated.
3. **Contracted services** – Identify any services to be provided by others hired under contract for professional services or construction. This category includes, but is not limited to, consultant and construction services, materials, equipment, data processing, printing, and laboratory testing. List each specific service to be performed and the wage rate associated with it. Construction service contracts should include at least a 10 percent contingency to cover unexpected expenses.

4. **Supplies and Materials** – List major office supplies and materials necessary to prepare, conduct, or construct this project. These items are generally consumable commodities purchased for inventory or immediate use by the applicant and cost less than \$250. List the costs of all major items.
5. **Communications** – Include telephone, postage, mailing, and advertising costs in this category.
6. **Travel** – List only costs for travel that are essential to conduct the project. Detail the expected travel destination, the purpose of the travel, the number of people traveling, and the number of trips to be made. Travel rates may not exceed the current state employee rates for meals, lodging, and mileage.
7. **Rent and Utilities** – List the terms and costs specific to the project that are associated with buying or renting office space, storage, computer rental, other office equipment use, additional project space requirements, and applicable utility expenses. Include an explanation of the methodology for how these costs are charged on a project-specific basis.
8. **Equipment** – Include in this category articles leased or purchased for use on the project by the applicant. These items generally are of a non-consumable nature, have an estimated life of more than one year, and cost greater than \$500. List all necessary items and their costs. The NRDP has an equipment policy that is available upon request (nrdp@mt.gov or 444-0205) or from the Internet at www.doj.mt.gov/lands/naturalresource.asp.
9. **Miscellaneous** – Identify any other costs required to complete the project. List any other project costs, such as repairs or maintenance, that have not been addressed in other budget categories. For overhead or indirect costs, include an explanation for how these costs are charged on a project-specific basis. The State will not pay interest on loans taken out to cover grant expenses.

B. BUDGET NARRATIVE

The budget narrative must clearly demonstrate that the project can be completed within the proposed budget. To accomplish this goal, address the following issues.

1. Provide a general discussion of the spending plan, and explain each budget item in relation to the total budget.
2. The budget narrative should clearly state the assumptions used to develop the proposed budget.
3. Include the sources of all cost estimates in the budget narrative.
4. Fully justify project expenditures reported on the budget forms.
5. Describe the basis for your computations.
6. Describe what contingencies exist for cost-overruns, such as construction contingencies.

7. Indicate what mechanisms of financial assurance such as letters of credit or performance bonds have been or will be obtained.

Matching Funds: The budget forms should indicate matching funds and the budget narrative should identify all funding sources other than the UCFRB Restoration Fund and describe your efforts toward securing those funding commitments. The State will calculate matching funds by determining the percentage of the total project costs for activities **under the project's scope of work** to be funded by other sources besides Restoration funds. If a project is approved, the applicant is obligated to contribute the indicated matching fund amount to the project. Please address the following issues:

1. If you applied to other funding agencies, give the date of your application, the date a funding decision is expected, and whether you requested a grant or a loan. Provide documentation.
2. Provide verification of committed matching funds, such as an award letter.
3. Indicate whether the matching funds are matching dollars or in-kind contributions. Matching dollars are project-specific funds provided by the applicant or another sponsoring entity. In-kind contributions are project-specific, non-dollar contributions that have an associated monetary value. Example in-kind expenses include donated labor and equipment.
4. Identify any loans used as matching funds and indicate the planned mechanism to pay back the loans.
5. Include any other information that would help the State assess your financial commitment to project completion.
6. If the project will require funding beyond the period for which funds are requested, include a plan describing how subsequent funds will be obtained.

Please use the following format in presenting your Budget Narrative on your own paper:

Budget Narrative

Applicant Name: _____

Project Title: _____
[text]

Budget Forms

See separate Excel files

APPENDIX A

SUPPLEMENTAL GUIDANCE:

- **Definitions**
- **Fact Sheet on Injuries Along the Upper Clark Fork River Basin**
 - **Sample Abstracts**
 - **Frequently Asked Questions**

DEFINITIONS

The short definitions that follow are intended to help applicants identify the types of projects that will restore, rehabilitate, replace, and/or acquire the equivalent of injured natural resources and/or lost services.

Natural Resources: “Natural resources” that may be addressed through UCFRB Restoration Fund projects include the land, fish, wildlife, biota, air, surface water, ground water, and other resources that: 1) are owned by or held in trust, managed or controlled by the State of Montana; 2) have been injured from exposure to or contact with hazardous substances generated by mining and mineral processing in the UCFRB conducted by ARCO and its predecessor, the Anaconda Company; and 3) were the subject of the Montana v. ARCO lawsuit. A description of these natural resources is provided in Chapter 2 of the *UCFRB Restoration Plan Procedures and Criteria* document and also in the following “Fact Sheet of Injuries Along the UCFRB.”

Services: “Services” are the physical and biological functions, including the human use of those functions, performed by the natural resource, or that would have been performed by the natural resource had it not been injured by the release of hazardous substances. A service provided by an injured natural resource, or that would have been provided absent the injury to the natural resource, may also be addressed through UCFRB Restoration Fund projects. Services include ecological services such as flood control and erosion control, habitat, and food chains, as well as human services such as recreation and drinking water consumption.

Injury: “Injury” to a natural resource is the measurable adverse change in the chemical, physical, or biological quality or the viability of a natural resource resulting from exposure to a release of a hazardous substance.

Baseline: “Baseline” refers to the condition of a natural resource and the services it provided that would have existed had the discharge of the hazardous substance not occurred.

No Action-Natural Recovery Period: “No Action-Natural Recovery Period” refers to the time needed for recovery of an injured resource to baseline conditions if no restoration efforts are undertaken beyond response actions. This time period depends on many factors, including the extent of the injury, the persistence in the environment of the hazardous substance to which the natural resource is exposed, and the extent of response actions or other human intervention.

Response Actions: “Response actions” are those measures undertaken by the U.S. Environmental Protection Agency or the State of Montana at contaminated sites that are deemed necessary to protect the public health or welfare or the environment from continued or further harm. Although response actions are not primarily designed to restore injured natural resources or services, they may have this effect to some extent. They may reduce or entirely eliminate the length of time for natural recovery of an injured natural resource.

Restoration: The term “restoration” is used in both a general sense and specific sense in this document. Used in a general sense, “restoration” generally refers to the four types of actions authorized under federal law to address injuries to natural resources (i.e. restoration, rehabilitation, replacement, and acquisition of the equivalent natural resources). Used in the

specific sense, “restoration” refers to actions that operate directly on the injured resources and services to return them to baseline conditions or to accelerate the recovery process. For example, in a situation where numerous sources are contaminating groundwater, removing the most significant sources would lessen the injury and result in the groundwater’s recovery, or “restoration,” to baseline sooner than would otherwise occur.

Rehabilitation: Actions constituting “rehabilitation” attempt to return the injured resources and services to a state different than their baseline condition, but still beneficial to the environment and the public. For example, where injury to a conifer forest resulted in a loss of upland big game habitat, planting grasses and shrubs would create upland bird habitat while only beginning the process of restoring upland big game habitat.

Replacement: Actions constituting “replacement” seek to create or enhance resources and services equivalent or very similar to those that have been injured, but away from the immediate site of the injury. For example, where an injury to a trout fishery has occurred, improvements to a nearby stream would enhance its trout fishery and would, in effect, constitute “replacement” of the injured fishery.

Acquisition of Equivalent Resources: Actions constituting “acquisition of equivalent resources” involve acquiring unimpaired resources comparable to those that are injured. Acquisition of equivalent resources can hasten recovery or protect the injured natural resources. For example, acquiring healthy land adjacent to injured land can relieve pressure on the injured land and hasten its recovery. Or acquisition of equivalent resources may compensate the public for its diminished ability to use the injured resources. For example, although acquiring unimpaired land for public use does not restore the land that has been injured, it does make other land available for public use.

FACT SHEET ON INJURIES ALONG THE UPPER CLARK FORK RIVER BASIN

AQUATIC RESOURCE INJURIES

Surface Water Resources: Surface water concentrations of copper and zinc exceed aquatic life criteria virtually all of the time in Silver Bow Creek and periodically along the 120 miles of the Clark Fork River.

Sediments: Sediments are highly contaminated along Silver Bow Creek and the Clark Fork River. Bed sediments contain copper concentrations that exceed baseline conditions by, on average, factors of 25 on the Clark Fork River and a factor of 500 on Silver Bow Creek.

Aquatic Insects: Aquatic insects contain elevated concentrations of metals in both Silver Bow Creek and Clark Fork River. Particular species have been reduced in quality, or in Silver Bow Creek, eliminated.

Fish: Trout populations are absent from Silver Bow Creek. The Creek should contain about 190 trout/mile according to the 1994 survey. In the Clark Fork River, trout populations are about one-fifth of the populations found in reference streams. The River has lost about 1100 fish/mile. The average trout population in the 1994 survey was only 250/mile on the Clark Fork River whereas baseline is 1350/mile.

Services: The services lost or impaired by aquatic injuries include lost fishing and many other recreation opportunities that accompany fishing such as boating, hiking, camping, and observing wildlife.

TERRESTRIAL RESOURCE INJURIES

Aquatic Terrestrial Injuries: 750 acres of floodplain along Silver Bow Creek and 215 acres along the Clark Fork River (Warm Springs Ponds – Deer Lodge) contain tailings, which have eliminated riparian wildlife habitat. There are additional acres of floodplain on Silver Bow Creek and Clark Fork River which contain metals enriched soils that are a source of metals to surface water and are phytotoxic to vegetation. Baseline vegetation contains a mixture of riparian forest/shrub communities and agricultural land uses.

Populations of otter, mink and raccoons have been eliminated from Silver Bow Creek and severely reduced in the Clark Fork River. Baseline reference sites on the Big Hole River have significantly more signs of otter, mink and raccoon. Populations of other types of wildlife have also been significantly reduced along Silver Bow Creek and the Clark Fork River.

Opportunity Ponds: Riparian resources (soils, vegetation, wildlife and wildlife habitat) have been lost on the 3400-acre ponds.

Upland Terrestrial Injury: Approximately 17.8 square miles (11,366 acres) of upland soils, vegetation, wildlife habitat, and wildlife have been injured. These phytotoxic soils are lacking major indigenous plant associations. These areas are Mount Haggin (6.7 square miles); Smelter Hill (7.2 square miles); and Stucky Ridge (3.8 square miles). As a result, wildlife populations in these areas have been significantly reduced. Baseline areas have vegetative cover consisting of

approximately 70% forest and 30% grassland for the Mt. Haggin and Smelter Hill areas. The Stucky Ridge area was mostly grassland.

Services: The services lost or impaired due to injuries to vegetation, wildlife and wildlife habitat include hunting, birdwatching, hiking, observing wildlife and general recreation.

GROUNDWATER RESOURCE INJURIES

Butte Area: The bedrock groundwater injury covers 7 square miles (4500 acres) and, at this time, has a volume of some 220,000 acre-feet. Less than half of this injured groundwater is in the Berkeley Pit at the present time. However, when the critical water level is approached, the volume of contaminated ground water in the pit will exceed the total volume of contaminated bedrock groundwater in the aquifer outside of the pit and the total volume of injured groundwater will be approximately 333,000 acre-feet.

The alluvial groundwater in the Butte Hill area has some 5000 injured acre-feet over a square mile. Injury at Butte's Area One alluvial aquifer also extends over a mile and is some 10,000 acre-feet in volume. The groundwater in both the alluvial and bedrock aquifers contain concentrations many times over baseline concentrations and drinking water standards for arsenic, cadmium, copper, lead, zinc, sulfate, iron and manganese.

Montana Pole & Rocker: Montana Pole has 350 acre-feet of groundwater injury (organics) over 44 acres. Rocker has 190 acre-feet of injury (organic and inorganic) over a 26-acre area.

Anaconda Area: Groundwater contamination at Anaconda extends over 40 square miles (25,000 acres) and totals more than 400,000 acre-feet. Most of the injury is in the alluvial aquifer, with the remaining injury found in the bedrock aquifer. Exceedances of drinking water standards exist for arsenic, cadmium, iron, manganese, sulfate, zinc, and TDS. EPA has found more groundwater contamination in the upland bedrock areas since the State's injury report was released.

Milltown: The volume of injured groundwater at Milltown is approximately 6500 acre-feet and extends over about 110 acres. Drinking water exceedances exist for arsenic, iron and manganese.

Services: Services lost or impaired by injuries to groundwater include domestic and industrial consumption and uses.

PROJECT ABSTRACTS

Information needed in Project Abstract

- General cost information
- General schedule
- General tasks involved in project
- Applicant partners
- Discussion of specific injury
- Discussion of benefits

Examples of abstracts (project summaries):

Upper Willow; Meyers Dam; Watershed Land Acquisition 2001; Anaconda Waterline Project 2004

UPPER WILLOW CREEK PROJECT SUMMARY

Montana Fish, Wildlife and Parks seeks a Project Development Grant of \$25,000 for design of stream restoration activities on a 13,700 foot reach of Upper Willow Creek, a tributary of Rock Creek near Philipsburg. The project area covers 3 miles of Upper Willow Creek that starts about 4 miles upstream of its confluence with Rock Creek. The Project Development Grant focuses on field data collection to develop a stream re-naturalization design and a wetland enhancement design for this reach of Upper Willow Creek. Long-term, the project's implementation activities focus on stream channel restoration and riparian management. These actions seek to create and enhance fish, wildlife and water quality resources equivalent to those that were injured. Hence, the project would replace injured resources and lost services by enhancing Upper Willow Creek fish populations and habitat and increasing trout recruitment to the Rock Creek fishery. Upper Willow Creek contains genetically pure populations of bull trout and westslope cutthroat trout and is a spawning and rearing tributary for these species in Rock Creek. It also supports populations of non-native rainbow, brook, and brown trout.

The \$25,000 requested in Restoration funds would be used to collect field data necessary for project design and to design the project (i.e. irrigation head structures, bank stabilization features, etc.). Total design costs are \$37,330, with matching funds of \$12,330. For project implementation, Montana Fish, Wildlife and Parks intend to seek funding from a number of sources, including possibly from the Natural Resource Damage Program.

MYERS DAM PROJECT SUMMARY

Montana Fish, Wildlife and Parks seeks a Project Development Grant of \$11,710 for conducting a preliminary study on fluvial geomorphology and stream and land surface data to produce a design to provide fish passage and screening at Meyers dam. Meyers dam is a 3-acre impoundment adjacent to Warm Springs Creek approximately three miles west of Anaconda. A diversion routes the majority of streamflow from the stream channel into the Meyers dam impoundment. Diverted water provides a water supply for Butte-Silver Bow County. Water is diverted into a water house via a two 8' wide sluice gates and then transported to Butte via a pipeline. Excess diverted flow from the impoundment exits over a spillway and enters the channel of Warm Springs Creek downstream. The existing configuration of the diversion results

in dewatering of a stream segment, which impedes fish passage upstream, and results in a loss of fish to the water works. The spillway is also impassable for fish moving upstream.

Warm Springs Creek contains populations of native bull, westslope cutthroat, non-native brown and brook trout. Meyers dam restricts access to upstream-moving fish to 70 miles, or 47% of the perennial streams in the upper Warm Springs basin. The project seeks to improve the fish populations of Warm Springs Creek by providing upstream passage and preventing fish from becoming trapped in the water delivery system. Hence, the project would replace injured resources and lost services by enhancing Warm Springs Creek fish populations.

The \$11,710 requested in Restoration funds would be used to scope potential solutions to screening the municipal water intake and to provide fish passage around Meyers dam. Data will need to be collected to produce cost effective designs of fish screening and passage devices. Total design costs are \$30,625, with matching funds of \$18,915. Butte-Silver Bow County, who owns and operates the diversion, is a project partner.

For project implementation, Montana Fish, Wildlife and Parks intend to seek funding from a number of sources, including possibly from the Natural Resource Damage Program. It is anticipated that federal funding would also be available to fund the future restoration proposal, which the applicant plans to implement in 2004. The applicant hopes to complete the design and a restoration grant proposal by March of 2003.

Watershed Land Acquisition Project Summary

The Rocky Mountain Elk Foundation (RMEF) holds a purchase option to acquire approximately 32,500 acres of land in the Upper Clark Fork River Basin from the YT Timber Company. The property is located between Anaconda, Mt., and Georgetown Lake and makes up the bulk of the Warm Springs Creek drainage not already in public ownership. The property has high public values including habitat for native fish (bull trout and westslope cutthroat trout), critical big game winter range, alpine lakes and wetlands.

RMEF applied for a \$6.075 million grant from the Upper Clark Fork River Basin (UCFRB) Restoration Fund in April of 2000 to acquire nearly 9,000 acres of the property for the State of Montana. The UCFRB Advisory Council and initially, the NRD staff, recommended funding the entire \$6.075 million, however, based on financial constraints, the Trustee Council recommended, and the Trustee awarded, \$3.764 million in December, 2000. RMEF conveyed 5,790 acres to the State of Montana in February, 2001. RMEF is now applying for \$2.066 million from the UCFRB to acquire approximately 3,178 acres and complete the State portion of the acquisition. The remaining 23,500 acres is targeted for purchase by the U.S. Forest Service (U.S.F.S.) using Federal Land and Water Conservation Fund (LWCF) dollars. Five million dollars has been appropriated from the LWCF program for 2001 and will be available in the spring of 2001.

The State portion of the acquisition is located in close proximity (less than five miles) to the damaged Anaconda Uplands and Opportunity Ponds. Acquisition of the State portion of the property will replace soil, vegetation and wildlife habitat related services lost in the Upper Clark Fork Basin including services lost in the Anaconda Uplands from smelter emissions and lost in and beneath the Opportunity Ponds from hazardous materials. Acquisition of the Watershed Property by public entities will benefit water quality in Warm Springs Creek, the major tributary

of the Upper Clark Fork River and aid in the restoration of the river. Habitat for the endangered bull trout and the westslope cutthroat trout and spawning areas for brown trout will be enhanced or maintained with the Watershed Land Acquisition. A critical linkage for wildlife between the Flint Range and the Pintlar Range will also be protected from development.

The Watershed Land Acquisition project is a partnership between the RMEF, the State of Montana and the U.S.F.S. The first phase of the purchase option was exercised in December of 2000, which required RMEF to borrow \$2 million until the UCFRB Restoration Fund dollars became available and transactional details were worked out. Funding of the acquisition of the remaining land targeted for state ownership will be crucial to exercising the next phase of the option.

Anaconda Waterline Project

Anaconda-Deer Lodge County (ADLC), as the owner/operator of its municipal water system since 1992, has made steady progress in upgrading its dilapidated water mains. This is a critical endeavor, given that options for additional water supply for the community are seriously curtailed by surrounding groundwater contamination from mining and smelting activity. ADLC installed six new wells and a 3.5-million-gallon storage tank in the 1994, but was forced to eliminate a “peaking” supply connection to the Silver Lake Pipeline due to regulatory non-compliance of that source under the federal *Safe Drinking Water Act*. With its current water supply maximized and no practical options for expansion, Anaconda has focused on replacing leaking water mains as a surrogate for additional water sources.

UCFRB Restoration Funds continue to be critical to ADLC’s efforts. With an initial objective to replace larger diameter transmission mains, Restoration Funds have allowed the City-County to replace the 10-inch Main Street transmission main in 2003, followed by the scheduled replacement of the 14-inch East Fourth Street main in 2004. ADLC’s current proposal is to complete the replacement of the 14-inch main along the west portion of the Fourth Street corridor, between Hickory Street and the Junction Valve House at Tamarack Street. This Fourth Street transmission main is the single critical link in conveying water from the well field and storage tank, into central and eastern Anaconda. The western portion of this main is thin-walled steel pipe dating from 1900. It suffers from ongoing leakage, and its condition and critical service invite catastrophic failure that could render the bulk of Anaconda without water.

The West Fourth Street transmission main upgrade will entail approximately 8,000 feet of 14-inch pipe replacement. Three known leaks along on the existing main were estimated to be leaking 6.3 million gallons of water per year, and undetected leakage from observed pipe corrosion in the *Kalimane* steel pipe is likely many times that amount. A conservative estimate of 26 million gallons per year of water savings resulting from replacement of this line represents \$28,000 in annual savings in water production costs. The proposed West Fourth street main replacement is estimated to cost \$1,532,591. ADLC is proposing \$250,000 in cash and \$59,217 in staff in-kind services as a 20.2 percent match to the requested UCFRB Restoration Funds.

The project is a beneficial, cost-effective candidate for UCFRB Restoration Funds for several reasons:

- A new transmission main is critical for reliable water service to the bulk of the community.
- By eliminating leakage, estimated water savings extend ADLC's existing 6.6 mgd water supply by 1.1 percent, an important supplemental contribution in the face of the inability to drill additional wells.
- By conserving its limited uncontaminated water resources, the project provides a significant increment of mitigation for Anaconda's lost groundwater resources rendered unusable by past mining-related environmental degradation.

FREQUENTLY ASKED QUESTIONS ABOUT THE APPLICATION PROCESS

The following “frequently asked questions” (FAQs) and answers prepared by the Natural Resource Damage Program (NRDP) are relevant to the Upper Clark Fork River Basin (UCFRB) Restoration Grant Applications.

Questions about the application and grant award process

Q: I have an idea that I think would meet the legal criteria for funding but I’m not sure. Should I go ahead and submit an application?

A: No. We encourage prospective applicants not to spend a lot of effort on an application for a project that questionably meets the legal criteria. We recommend that you instead submit a Pre-application, which consists of a project abstract and a map. It offers an applicant the opportunity to obtain a non-binding opinion from the State on whether a particular conceptual proposal may be an appropriate project for funding consideration before going through the more time-consuming process of preparing a project application.

Q: Are there areas in the UCFRB that are “off-limits” to funding consideration at this time?

A: Yes. Proposals for work in certain areas of the Basin that are still subject of incomplete remedy decisions or unresolved litigation will not be considered for funding. Those areas are described in further detail below. This guidance applies to all types of grant requests, including project development grants, regardless of the amount requested. When in doubt as to whether your project fits in one of the categories below, we suggest you consult the NRDP or submit a Pre-application before spending a lot of time and effort on an application.

The State has not settled its restoration damage claim for three sites:

- Smelter Hill Area Upland Resources (“Anaconda Uplands”): The Anaconda Uplands is an area approximately 18 mi² north and south of Anaconda that is comprised of portions of Smelter Hill, Stucky Ridge, and the Mount Haggin Wildlife Management Area.
- Butte Area One Ground and Surface Water Resources: Butte Area One extends from the upper end of the Metro Storm Drain in Butte to the west or downstream end of the former location of the Colorado Tailings along Silver Bow Creek.
- Upper Clark Fork River Aquatic and Riparian Resources: The Upper Clark Fork River site encompasses the floodplain of the Upper Clark Fork River from the Warms Springs Ponds to the Milltown Reservoir.

As set forth in the *UCFRB Restoration Plan Procedures and Criteria (RPPC)* minimum qualifications, if consideration or implementation of a project would interfere, potentially interfere, overlap, or partially overlap with the State’s remaining natural resource damage claims in the Montana v. ARCO lawsuit or with proposed restoration determination plans for these three sites, the project is not eligible for funding consideration. Such grant projects, which include restoration actions or property acquisitions within the Upper Clark Fork River floodplain, will not be considered until completion of Montana v. ARCO. Work in the tributary watersheds to the Upper Clark Fork River may be considered on a case-by-case basis.

Furthermore, projects in Superfund operable units where the remedial design has not been completed, such as areas within the Anaconda Regional Wastes, Water and Soils operable unit, will also be disfavored if a potential exists for the proposed restoration activities to be accomplished under remediation or to interfere with proposed remediation.

Finally, projects located in the Big Blackfoot River watershed are ineligible for funding at this time, unless they are in proximity of the Milltown Dam area and will not interfere with the restoration work that will occur at the Milltown NPL site that is covered by the joint remediation/restoration Consent Decree, or unless they would have the effect of restoring or significantly facilitating the restoration of natural resources or lost services in the UCFRB. As set forth in the *RPPC*, projects to restore native trout in the Big Blackfoot River watershed outside of the Milltown Dam area will not be considered until there is scientific determination that efforts to restore native trout restoration in the UCFRB would be uneconomical or impractical. This could be well after implementation of the response actions along the Upper Clark Fork River.

Q: What is the typical turnaround time for proposals of \$25,000 or less?

A: About 3-4 months. The Trustee Restoration Council, which makes the final decision on these proposals, always meets in late summer and late fall; other meetings are scheduled as needed. The Advisory Council, which meets monthly, also reviews and makes funding recommendations on these proposals.

Q: Is funding available to help develop project ideas and collect the information needed to submit an application?

A: Yes. You can apply for a project development grant (PDG) to help develop a project. If the planning costs are \$25,000 or less, use the Short-Form. If the costs are greater than \$25,000, use the Long Form.

Q: If a project development grant is funded, does that mean the implemented project will be funded?

A: No. The approval of a project development grant **does not** constitute or guarantee approval of the full project. The full project will need to go through the *RPPC* grant evaluation and funding selection process. Consistent with NRDP guidance, the evaluation of a project development grant includes the evaluation of the full project to the extent possible, since only sound restoration or replacement proposals should be considered for start-up funding.

Q: What are the contractual obligations of successful grant recipients?

A: An overview of the grant recipient's contractual obligations, such as procurement, insurance and reporting requirements, is provided in the application. A model grant agreement is also available on the NRDP website (www.doj.mt.gov/lands/naturalresource.asp) or upon request from the NRDP.

Q: If the Governor approves a project, can expenses for activities in the approved scope of work that were incurred before the Governor's approval be reimbursed?

A: No. Expenses incurred before the grant agreement becomes effective will not be reimbursed. Most grant agreements are effective upon the date of signature of both the grant recipient and

State. The earliest effective date of a grant agreement will be the date of the Governor's approval of the project, which is typically in December for projects greater than \$25,000.

Q: Where do non-profit organizations fit in the applicant eligibility type?

A: They are treated as private entities.

Q: If my grant proposal is approved for funding, will I have to competitively bid the work that will be conducted?

A: Probably. As set forth in the *RPPC* and the grant agreement between grant recipients and the NRDP, expenditures of grant funds must comply with applicable state procurement laws and regulations. State agencies must comply with the provisions specific to state agencies; counties must comply with the provisions in state law specific to counties and any other applicable local procurement regulations. For a private or non-profit entity applying in partnership with a governmental entity, that governmental entity must have procured your services in compliance with state procurement laws that are applicable to that entity. A private or non-profit entity that is the sole grant recipient must meet the procurement regulations specific to state agencies. Those regulations are summarized on the NRDP's *Guidance on Confidentiality, Procurement Provisions and Equipment Policy*, which is available from the NRDP website or upon request. In general, these regulations require that the project must be bid if it exceeds \$5,000. If the project is between \$5,001 and \$25,000, then a limited solicitation is required; above \$25,000, a formal invitation to bid or request for proposal is required.

Grant recipients may use vendors that have been competitively procured by the State Procurement Bureau for use by all state agencies, subject to agreement by the vendor. Contact Kathy Coleman of the NRDP (nrdp@mt.gov; 444-0205) if you would like to pursue this option.

To assure that grant recipients meet these applicable procurement requirements, grant recipients will be required via the grant agreement provisions to provide documentation of the competitive procurement process used to procure supplies, services, and construction.

Q: Can you keep information provided in the application confidential?

A: Usually not. With rare exceptions, the information provided in the application is available for public review. Refer to the *Guidance on Confidentiality, Procurement Provisions and Equipment Policy* available from the NRDP website for details on the limited circumstances in which information can be kept confidential and the procedures applicants must follow to keep information confidential. Applications are widely distributed; applicants should be prepared for substantial public exposure and scrutiny.

Q: Can I apply for a multi-year project?

A: Yes. There are no limits on multiple year grants or time to expend grant amounts in the *RPPC*. The Trustee has adopted a multi-year funding policy that gives the Trustee the flexibility to approve full or partial funding of multi-year projects. Projects fall into one or two categories:

- Multi-year projects that would be approved with the expectation that they will be funded to their completion or, at least, for a certain number of years. Projects in this category would not be formally reconsidered for approval in subsequent years; however, the Trustee would annually evaluate the project's funding needs and approve each

subsequent year's budget for the project. As part of this evaluation, the Trustee could decide to discontinue funding.

- Multi-year projects that would be approved for the first year's funding with the expectation that they will be resubmitted for approval in a subsequent year.

In determining whether to apply for multiple years of funding, applicants should determine whether the project could be implemented in a phased matter and derive significant public benefits from each phase regardless if the subsequent phase is funded. For example, a project to develop a recreational trail along multiple miles of stream corridor could be applied for and funded in a phased, mile-by-mile basis. Alternatively, some multi-year projects need to be funded in their entirety to derive substantial benefits. An example would be construction of a water supply reservoir that will take multiple years to complete. The Trustee ultimately decides whether funding commitments should be made for multiple years, so even though a project is proposed as a multi-year project, only one year of funding could be approved. This would be likely for a project whose future scope or priority over other projects is uncertain.

Applicants applying for multi-year projects need to provide the justification for the multi-year request in the criteria narrative for the Cost-Effectiveness *RPPC* criterion. In that narrative, applicants can compare the preferred multi-year approach to a phased funding approach and indicate what benefits, if any, would be derived from funding multiple years compared to phased funding. For example, if cost-savings would occur with a multi-year request that would not otherwise occur, the applicant should identify these savings in this criteria narrative.

While there is no specified limit in the *RPPC* for number of years that can be funded, the NRDP advises that multi-year requests not exceed more than five years. Most projects can be planned and implemented in five years or less, however, some require long-term monitoring beyond five years. In such cases, applicants should identify those long-term monitoring needs but only apply/budget for the work to be completed in five years or less. For example, for a stream restoration project that involves one year of construction and ten years of needed monitoring to determine success, applicants should identify the long-term monitoring needs but only request funding for the construction work and five years of monitoring. After five years, the NRDP will determine the need for and method of accomplishing additional monitoring.

Q: What are eligible matching funds?

A: Eligible matching funds are those that are specific to the activities for which Restoration funds are requested. Take, for example, the Butte and Anaconda waterline projects that involve replacement of leaking water lines covering certain street sections. Any funds besides Restoration funds that would be applied to replacement work in these sections can be credited as matching funds. But other funds spent to replace waterlines in other locations would not be credited as matching funds, nor would other funds spent on related water system improvements. Similarly, if Restoration funds are requested for stream restoration work in a particular stream segment, work on that segment funded by other sources can be credited as a match. But other funds covering work on other stream segments that would be conducted independent of the UCFRB grant project would not be credited as matching funds.

For projects that are part of a larger project for which future funding will be sought, the State will only consider the matching funds dedicated to the phase of the project that is to be funded by Restoration Funds. An example would be an acquisition that includes lands slated for both state and federal ownership. If the Restoration fund request is specific to the state parcel, then the funding for acquisition of the federal parcels would not be considered as eligible matching funds.

In addition to being specific to the proposed activity, matching funds needed to be provided over a similar timeframe as that of the proposed project. Applicants cannot use past funding for earlier phases of the project as matching funds. In general, eligible matching funds are those that would be provided for proposed project activities that will occur after the date of the Restoration fund application submittal.

Matching funds can be matching dollars or in-kind contributions. Matching dollars are project-specific funds provided by the applicant or another sponsoring entity. In-kind contributions are project-specific, non-dollar contributions that have an associated monetary value. Examples of in-kind expenses include donated labor and equipment. For land acquisition projects, matching funds payments or donations that make up the difference between the funding request and the appraised value can be considered as an in-kind match.

Applicants are required to provide verification of committed matching funds as well as documentation of applied for or pending funds. It is important to consider that, if a project is approved, the grant recipient will be obligated to provide the percentage match commitment reflected in the final work plan document and to provide adequate documentation of all matching funds (both in-kind and cash matches.)

Q: Are appraisals needed for land acquisitions?

A: Yes. As set forth in the *RPPC*, the State will evaluate whether the land, easements, or other property interests proposed for acquisition are being offered for sale at market value. Normally, an appraisal by a qualified appraiser, which complies with the *Uniform Standards of Professional Appraisal Practice*, is used in determining the purchase price of the property and that appraisal should be provided to the State with the application. The State will then review and evaluate that appraisal and may conduct a review appraisal or a reappraisal. Funding will be contingent upon the State's verification that the purchase price is at or below the fair market value. Before proceeding with an appraisal, the applicant should: 1) determine whether there are any encumbrances on the property that may affect its value; and 2) consult with NRDP staff and reach an agreement with staff as to who will appraise the property and the instructions to be provided to the appraiser. The NRDP encourages applicants for proposed land acquisitions to retain the services of a land acquisition expert to help plan and execute these projects.

Q: How will the Silver Bow Creek Watershed Restoration Plan be considered as a factor in funding decisions?

A: The *Silver Bow Creek Watershed Restoration Plan* identifies and prioritizes restoration needs in the Silver Bow Creek watershed, which encompasses about 500 square miles of lands that drain into Silver Bow Creek between Butte and Warm Springs Ponds. The Governor approved this plan and an associated amendment to the *RPPC* in December 2005. For proposals that will occur in this watershed, applicants need to address, and the NRDP will evaluate, the proposal's consistency with the priorities identified in the plan via the criteria narrative for the Ecosystem

Consideration *RPPC* criterion. Copies of the watershed plan are available from the NRDP website (www.doj.mt.gov/lands/naturalresource.asp) or upon request.

Questions about the types of eligible projects

Q: Are there examples of the types of restoration and replacement projects that are eligible for funding?

A: Yes. Chapter 5 of the *RPPC* provides examples of possible restoration and replacement projects. Another source for examples of eligible projects are those that have been funded in the last three grant cycles. This information is available from the NRDP website, www.doj.mt.gov/lands/naturalresource.asp

Q: If a project addresses a mining impact, doesn't that qualify it for funding consideration?

A: No. Just because a project addresses a mining impact does not mean it is eligible for funding consideration. Restoration funds may only be used to restore or replace the injured natural resources and/or the services lost as a result of releases of hazardous substances by ARCO or its predecessors that were the subject of *Montana v. ARCO*. The application provides a summary of the injured resources and lost services covered in *Montana v. ARCO*, which are described in further detail in Chapter 2 of the *RPPC*. As indicated therein, *Montana v. ARCO* did not cover all types of impacts from mining activities in the Basin; rather, it covered specific injured natural resources and lost services.

Restoration refers to actions taken to return the injured resources and services to their baseline condition. Replacement actions create or improve resources and services that are the same as or very similar to the ones that have been injured or lost. A project that simply addresses the impacts of mining, for example subsidence, would not be eligible for Restoration funds unless the project also addresses, in a substantial way, the adverse impacts of hazardous substance contamination on natural resources. In addition, projects do not have to address mining impacts to be eligible for funding. For example, an eligible replacement project would be one that would improve degraded aquatic habitat outside an injured area, regardless of the cause of degradation, because the project would enhance a resource equivalent to the injured resource (aquatic habitat) covered under *Montana v. ARCO*.

Q: Can Restoration funds be used to compensate for the economic damages caused by historic mining activities to private individuals and entities, such as the loss of agricultural productivity caused by the emissions from the Anaconda smelter?

A: No. Private individuals, including farmers and ranchers, have suffered economic harm as a result of injuries to the State's natural resources in the UCFRB. However, the natural resource damage provisions in federal law do not provide for the recovery of damages sustained by private individuals or entities, including losses of agricultural productivity. They only provide for recovery of damages to public natural resources and services. Hence, the State made no claim for such economic losses in *Montana v. ARCO*, and spending Restoration funds for such purposes would not be permissible. The State can, however, fund work on private land if the principal result of such work would be to replace or restore injured resources or lost services.

Q: Can Restoration funds be used to plan or implement economic development projects?

A: No. Restoration funds can only be used to restore or replace the injured natural resources and/or the services lost as a result of releases of hazardous substances by ARCO or its

predecessors that were the subject of Montana v. ARCO. If a project's primary purpose is to stimulate economic development, then it will not meet this legal threshold for funding. Restoration or replacement projects can, however, result in secondary economic benefits. As areas are restored, they will become more attractive to and frequented by area residents and visitors. For example, improving fish habitat in the UCFRB will improve fishing opportunities, increase angler-days, and thereby help support the local businesses that are tied to outdoor-based recreation and tourism. Also, restoration and replacement projects can often involve the employment of local individuals and expenditures that contribute to the local economy.

Q: Are education projects targeted to schools eligible for funding?

A: Education projects targeted to schools are eligible for funding if they specifically pertain to the natural resources or services that were the subject of Montana v. ARCO or to acceptable replacements of those resources and services. This requirement applies to any work conducted as part of an education project—both field and classroom work. Additionally, the project must not involve activities that would replace normal school funding.

Applicants considering applying for funding of school education projects should be aware of the already approved educational projects to eliminate the potential for duplication of effort. In 2005, Montana Tech started implementing a 3-year Clark Fork Watershed Education Program for primary and secondary level school children and teachers in schools from Butte to Bonner. Each phase of the program includes student and teacher training in the classroom and the field. Students will use Silver Bow Creek and the Clark Fork River as large-scale outdoor laboratories in a field science program. The NRDP has also produced an educational trunk and multi-media CD's for areas schools about the injuries to and restoration of natural resources in the UCFRB. For more information on funded education projects and available materials, contact Kathy Coleman of the NRDP (nrdp@mt.gov; 444-0205).

Q: Can Restoration funds be used to identify, preserve or protect cultural or historical resources?

A: This is a determination that needs to be made on a project-specific basis. Cultural and historic resources were not natural resources covered under the State's claims in the Montana v. ARCO lawsuit; therefore, in most cases, such activities would not meet the legal threshold for restoration funding. However, under a few circumstances, Restoration funds may be used for the identification, preservation or protection of cultural and historic resources when those activities relate specifically to the restoration or replacement of injured natural resources. First, Restoration funds may be able to be used to identify tribal cultural resources or tribal religious sites that are within a restoration project area and to coordinate with the state and Tribes to develop measures to protect these resources or sites. Second, Restoration funds may be able to be used to identify historical and archeological sites that may be negatively impacted by restoration activities. Finally, Restoration funds may be able to be used for appropriate mitigation should an approved restoration activity require destruction of a significant historical or cultural resource, if that mitigation is required by an applicable law or regulation. Given the complexity of this determination, we recommend you consult the NRDP before applying for Restoration funds for any activities related to cultural or historical resources.

Q: Are weed control activities eligible for funding consideration?

A: This is a determination that needs to be made on a case-by-case basis. To date, Restoration funds have only been approved for weed control activities that are either necessitated by or

targeted to approved restoration activities. For example, funding has been approved for “construction weed management” activities associated with soil disturbances caused by implementation of an approved restoration project such as disturbances that occur with streambank and stream channel restoration activities and development of off-stream watering facilities. Funding has also been approved for initial weed management efforts on lands purchased with Restoration funds. Another example of weed control activities targeted to an approved restoration project would be those associated with increased public access that resulted from development of a recreational trail funded with Restoration funds.

Alternately, some weed control requests that have been broad-based and not associated with specific restoration activities have not been approved for funding. A 2002 proposal to conduct widespread weed spraying in Anaconda-Deer Lodge County did not pass minimum qualification for two major reasons: 1) the proposal lacked sufficient information on the type and extent of weed problems, on the demonstrated effectiveness of the proposed approach specific to area soil and vegetation conditions, and on the long-term management activities; and 2) the proposal was unlikely to significantly restore wildlife habitat and related services given the current land uses and wildlife habitat potential of the project area.

In addressing the Applicable Policies, Rules, and Laws *RPPC* criterion, applicants for projects that involve land management activities are asked to indicate how they have or will meet any applicable weed management requirements and what efforts they have made or will make to coordinate with the local weed control district. Applicants for land acquisition projects should be aware that via SB259 passed by the 2005 Legislature, transfer of property to non-federal public ownership is subject to certain weed management requirements that must be incorporated into the purchase agreement.

The Restoration Fund should not be viewed as a fund to replace already-established funding mechanisms to control noxious weeds. Under state law, weed control is a landowner responsibility. As set forth in the *RPPC* under the Normal Government Function criterion, activities for which a governmental agency would normally be responsible or that would receive funding in the normal course of events will not be funded. Some weed control activities would fall into such a category.

Similar to other projects, the feasibility, cost-effectiveness, and benefit: cost relationship of the proposed weed control activities will greatly influence a funding decision. Efforts to control weeds should be from an integrated approach, which involves the use of best control techniques for target species in a planned, coordinated program to limit the impact and spread of the weed and the uses of a variety of control methods targeted to site-specific conditions.